

# Digging Out of Mississippi's Budget Hole

## Fiscal Year 2004

|                                      |                      |
|--------------------------------------|----------------------|
| <b><u>Use of One-Time Funds:</u></b> | <b>\$452 million</b> |
|--------------------------------------|----------------------|

|                               |               |
|-------------------------------|---------------|
| Transfers from Special Funds: | \$248 million |
| Tobacco Trust Fund:           | \$102 million |
| Waiving the 2% Set Aside:     | \$ 72 million |
| Sales Tax Diversion:          | \$ 30 million |

|                                 |                      |
|---------------------------------|----------------------|
| <b><u>Program Deficits:</u></b> | <b>\$159 million</b> |
|---------------------------------|----------------------|

|                        |               |
|------------------------|---------------|
| Medicaid               | \$ 60 million |
| Corrections            | \$ 58 million |
| Debt Service           | \$ 20 million |
| Human Services (est.)  | \$ 17 million |
| DFA                    | \$ 2 million  |
| Tax Commission         | \$ 1 million  |
| MS Bureau of Narcotics | \$ 1 million  |

**= \$611 million  
budget hole**

## Fiscal Year 2005 Governor's Budget Recommendation

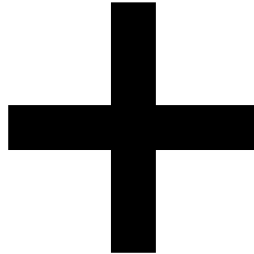
|                                      |                      |
|--------------------------------------|----------------------|
| <b><u>Use of One-Time Funds:</u></b> | <b>\$338 million</b> |
|--------------------------------------|----------------------|

|                               |               |
|-------------------------------|---------------|
| Transfers from Special Funds: | \$134 million |
| Tobacco Trust Fund:           | \$102 million |
| Waiving the 2% Set Aside:     | \$ 72 million |
| Sales Tax Diversion:          | \$ 30 million |

|                                 |            |
|---------------------------------|------------|
| <b><u>Program Deficits:</u></b> | <b>\$0</b> |
|---------------------------------|------------|

None

**= \$338 million  
budget hole**



**Governor's Increases from the  
2005 Legislative Budget Committee  
Recommendation**

| <b><u>Increase</u></b> | <b><u>Area</u></b>   | <b><u>Reason</u></b> |
|------------------------|--|----------------------|
| +\$100 million         | Universities/Community Colleges<br>Development<br>Stop Tuition Hikes | Workforce            |
| +\$6 million           | Homestead Exemption<br>tax hikes                                     | Stop City/Co.        |
| +\$5 million           | Mississippi Development Authority Job creation<br>efforts            |                      |
| +\$1 million           | Mississippi Bureau of Narcotics<br>enforcement                       | Drug                 |

**= \$111 million increase**



**Governor's Savings from the  
2005 Legislative Budget Committee  
Recommendation**

| <b><u>Savings</u></b>            | <b><u>Area</u></b>  | <b><u>Action</u></b>  |
|----------------------------------|---|---|
| -\$130 million                   | Medicaid<br>Disease management strategy<br>Patient/provider education initiative                          | Control pharmaceutical costs  |
| -\$55 million                    | State Health Ins.<br>Premiums   | Tailored plan/Deductible Choices/   |
| -\$26 million                    | Universities<br>functions   | Combining commodity/equipment   |
| -\$25 million                    | Administration<br>Board   | Temporary removal from Personnel  |
| -\$20 million                    | Corrections<br>units<br>Refinance prisons/Use private prison space<br>New technology for guarding inmates | Close older, inefficient Parchman   |
| -\$11 million<br>(+\$ 5 million) | Mental Health<br><i>Mental Health</i>   | Combining administrative functions<br><i>Apply portion of savings back<br/>into agency)</i> |

|                      |                    |  |
|----------------------|--------------------|--|
| -\$5 million         | Transportation     | Put MDOT interest earnings in General Fund |
| -\$3 million         | Boards/Commissions | Centralize location for licensing agencies |
| -\$2 million         | MESC               | Move under the Governor's direction        |
| -\$1.2 million       | MBN                | Consolidate MBN functions under DPS        |
| <i>(+1.2 million</i> | <i>MBN</i>         | <i>Apply savings back into agency)</i>     |

**= \$273 million savings**

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